

## **Program A: Administrative**

Program Authorization: R.S. 47:1401 et seq.

### **PROGRAM DESCRIPTION**

The mission of the Administrative Program of the Board of Tax Appeals is to provide an appeal process to hear and decide, at minimum expense to taxpayer, questions of law and fact arising from disputes or controversies between a taxpayer and the secretary of the Department of Revenue in the enforcement of any tax administered by the department.

The goals of the Administrative Program of the Board of Tax Appeals are:

1. Protect taxpayer's rights to appeal at minimum expense.
2. Maintain an efficient filing and processing of taxpayer appeals to both the Legal Division and the Collection Division of the Department of Revenue for an expeditious resolution.
3. Develop and maintain an open working communication with the secretary of the Department of Revenue.
4. Make the board's rules and requirements for filing an appeal simple and convenient for all taxpayers.
5. Handle all taxpayer related issues that come before the board in a professional, fair, and equitable manner.

The Board of Tax Appeals has the authority to hear appeals from the imposition of the following types of taxes; individual income tax; corporate income; corporate franchise; excise; severance; sales and use; withholding; motor vehicle; transportation and communication; hazardous waste; inspection and supervision; and inventory and special fuels. If a taxpayer is aggrieved by an assessment made by the secretary of the Department of Revenue, the taxpayer files a petition with the Board of Tax Appeals seeking relief. The department has 30 days in which to answer the allegations. The case is assigned for hearing, at which time either party may introduce evidence. After hearing the case and considering the record, the law and evidence, a judgement is rendered by the Board of Tax Appeals. If the judgement is not appealed by either party within 30 days, it becomes final.

The board also approves or disapproves claims against the state. If the claim is approved by the board, the legislature is authorized to appropriate funds to pay the claim. In addition, the Board of Tax Appeals is authorized to review and approve or disapprove the following: offers of compromise; penalty waiver requests; tax lien releases and redetermination of final assessments submitted to it by the secretary of the Department of Revenue.

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.**

1. (KEY) To process all taxpayer claims, applications, and requests received within 30 days of receipt.

Strategic Link: This operational objective accomplishes the program's Strategic Objective 1: *To file cases and conduct hearings as requested by parties.* This objective also accomplishes Strategic Objective 2: *To review requests and recommendations, and issue decisions and orders in unresolved cases.*

Explanatory note: The Board of Tax Appeals is not only responsible for petitions filed by taxpayers, but also responds to requests and recommendations made by the Department of Revenue.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage of taxpayer claims, applications, and request processed within 30 days	100%	100%	100%	100%	100%	100%
K	Number of claims filed and docketed	386	210	250	250	250	250
K	Number of claims filed and settled without docketing	420	292	375	375	375	375
K	Number of cases appealed to District Court	4	5	4	4	4	4

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$150,060	\$199,227	\$199,227	\$216,822	\$229,438	\$30,211
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	24,351	25,160	25,160	25,160	25,160	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<b>\$174,411</b>	<b>\$224,387</b>	<b>\$224,387</b>	<b>\$241,982</b>	<b>\$254,598</b>	<b>\$30,211</b>
EXPENDITURES & REQUEST:						
Salaries	\$74,034	\$89,858	\$89,858	\$89,858	\$97,848	\$7,990
Other Compensation	31,062	34,000	34,000	34,000	34,000	0
Related Benefits	17,793	25,282	25,282	25,282	27,065	1,783
Total Operating Expenses	36,788	41,011	43,811	47,752	51,075	7,264
Professional Services	9,529	24,000	24,000	24,480	24,000	0
Total Other Charges	2,623	2,786	2,786	2,840	2,840	54
Total Acq. & Major Repairs	2,582	7,450	4,650	17,770	17,770	13,120
TOTAL EXPENDITURES AND REQUEST	<b>\$174,411</b>	<b>\$224,387</b>	<b>\$224,387</b>	<b>\$241,982</b>	<b>\$254,598</b>	<b>\$30,211</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	2	3	3	3	3	0
TOTAL	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>

## SOURCE OF FUNDING

This program is funded with State General Fund and Fees and Self-generated Revenues. Fees and Self-generated Revenues are derived from filing fees based on the amount in dispute and charges for copies of transcripts of hearings.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$199,227	\$224,387	3	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$199,227	\$224,387	3	EXISTING OPERATING BUDGET – December 3, 1999
\$37	\$37	0	Risk Management Adjustment
\$11,970	\$15,970	0	Acquisitions & Major Repairs
(\$650)	(\$4,650)	0	Non-Recurring Acquisitions & Major Repairs
\$50	\$50	0	Legislative Auditor Fees
(\$2)	(\$2)	0	UPS Fees
\$9,088	\$9,088	0	Salary Base Adjustment
\$1,800	\$1,800	0	Other Adjustments for the ISIS Huma Resource assessment computer needs
\$7,918	\$7,918	0	Other Adjustments increasing operating services for data lines, circuits, and general expenses
\$229,438	\$254,598	3	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$229,438	\$254,598	3	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$229,438	\$254,598	3	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 113.3% of the existing operating budget. It represents 88.9% of the total request (\$286,094) for this program. The difference between existing operating budget and recommended is primarily attributable to the increase to purchase of a docket system, salary base adjustment, and operating expenses.

## PROFESSIONAL SERVICES

\$24,000 Legal services as required by the Board

**\$24,000 TOTAL PROFESSIONAL SERVICES**

## OTHER CHARGES

\$2,676 Legislative Auditor

**\$2,676 SUB-TOTAL OTHER CHARGES**

### **Interagency Transfers:**

\$164 Office of Uniform Payroll System

**\$164 SUB-TOTAL INTERAGENCY TRANSFERS**

**\$2,840 TOTAL OTHER CHARGES**

## ACQUISITIONS AND MAJOR REPAIRS

\$17,770 Docketing System and computer equipment

**\$17,770 TOTAL ACQUISITIONS AND MAJOR REPAIRS**